

State of Rhode Island
Department of Administration

OFFICE OF ACCOUNTS AND CONTROL

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IMPREST CASH FUNDS		January 30, 2013

Any state department or agency may establish and maintain an imprest cash or petty cash fund for the purpose of purchasing small operating necessities, payment of postage due, and for other nominal expenditures which cannot be administered economically and efficiently through customary procurement practices.

Prior to the establishment of any such fund, the agency shall submit to the State Controller a justification of the need (Form A-15R, Imprest Fund Application) for such fund. The State Controller shall investigate such need and, if he determines it exists and that adequate accounting controls exist, shall prepare an Invoice Voucher for approval of the Director of Administration to establish such fund. If the fund is to be maintained in a checking account at a financial institution, the agency shall also submit Form 44B. See Procedure Number A-44 on the Controller's web site for a copy of Form 44B.

There are two classes of imprest cash funds:

1. Those which are established to meet specific operating necessities peculiar to a particular department or agency and are limited to that purpose only;
2. Those which are established for general operational purposes (example: an imprest fund to pay nominal value operating expenses, such as postage).

An agency may have more than one petty cash fund but is limited to one petty cash fund for a division at each location.

Single transactions shall be limited to amounts equal to no more than 35% of the established fund and all transactions occurring in such fund shall be reported and accounted for as provided for in the uniform accounting system developed by the State Controller.

Several payments to the same vendor(s) (individually less than 35% of the established fund but exceeding 35% of the established fund in total) is not an approved use of the petty cash fund.

Personal checks/employee advances (or any checks) are not to be cashed from the petty cash fund.

A vendor's invoice should be secured, where possible, for each expenditure showing date, amount, and description of purchase. When this is not possible, an agency produced "petty cash voucher" should be completed.

If there is a change in the custody or location of the petty cash fund, both the former and the successor custodians should sign a statement (using the fiscal year end imprest cash reconciliation report is acceptable) showing the exact financial status of the fund at the date of change.

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Copies should be filed in the office where the fund is located and also with the State Controller.

At the end of each fiscal year, an imprest cash fund report (which reconciles the fund) shall be completed and submitted to the Office of Accounts and Control by July 31.

If the fund is maintained in a bank account, the fund should be reconciled monthly by a person other than the authorized signer(s) of the account.

The imprest cash fund report form is available on the Controller's web site.

The State Controller shall be notified of a dissolution of the fund. An accounting of the fund's status shall be prepared and sent with Form A-15R to the Office of Accounts and Control.

When a fund is dissolved, a detailed accounting of the expenditure accounts and amounts shall be provided and the remaining funds shall be submitted to Accounts and Control in the form of a check payable to the General Treasurer. The total of the expenditures and the remaining amount in the fund should equal the established amount of the fund.

If a petty cash fund is maintained in a bank account, the reimbursement shall be made payable to the name of the bank account or the state department or agency name. If the petty cash fund is maintained in the form of currency and coin, reimbursement shall be made to the disbursing officer or custodian.

Copies of the vendor invoices/statements or petty cash voucher forms are to be attached to the reimbursement voucher. A cash reconciliation must be included with each reimbursement voucher and it must be signed by the disbursing officer on file.

The petty cash fund must be kept intact and not comingled with any other funds, such as the agency's daily cash receipts.

Cash on hand plus vendor's invoices/petty cash vouchers must equal the amount of the established fund at all times.

The fund is subject to audit at any time by the Office of the State Controller, the Bureau of Audits, and the Office of the Auditor General.